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The Soul of a Great Transition: Social Life Cycle Assessment and the Quest for a Humane Future

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The Global Context

Social Life Cycle Assessment (LCA)—the analysis of social impacts spanning the complete value chain of a product or process—has never been more important than it is today for understanding and correcting widespread social injustices. The causes and consequences of these injustices are as complex as the interdependent world in which we live, wherein social crises are many and intensifying—immigration; civil strife; failed and failing nations; inequality; and the health, safety, and human rights of workers in global supply chains.

To address these multiple crises, we need to think and analyze systemically. Social LCA helps us do so by illuminating the roots, pathways, and consequences of production and consumption that are transnational in terms of boundaries, institutions, and actors. What happens on farms and factories in Bangladesh, Brazil, and Burundi is of consequence to consumers, workers, and citizens in the US, UK, and UAE.

How must we organize our thinking about the global future in the face of an increasingly interconnected world wherein information, commerce, finance, pathogens, and ideas move with increasing speed and expanding reach? As these circuits of connection intensify, so too do the consequences of the actions of individuals and enterprises far from those affected parties. Very little remains truly local or insular. A planetary connective tissue increasingly binds us to a common destiny. An emergent planetary civilization compels us to act with a planetary consciousness.

To ask how this world could and, more importantly, should evolve in the twenty-first century and beyond, an international team scholars convened the Global Scenario Group (GSG) in the 1990s. Their work has been carried forward by the Great Transition Network over the past decade. The

GSG chose to formulate the question not in the form of a forecast but, instead, in the form of backcasts, imagining a set of futures and assessing what pathways may take us toward each of these outcomes. The GSG conceived three basic scenarios that brought some order to an admittedly indeterminate future: *Conventional Worlds*, *Barbarization*, and *Great Transitions*, each with two variants.

Conventional Worlds, the first archetypal future, represent incremental adjustment to contemporary conditions. In the *Market Forces* variant, contemporary market-driven globalization continues apace, and developing nations largely seek to mimic Western values of consumption and production within a market-dominated development model. In the *Policy Reform* variant, government takes on a more a more activist role in blunting the hard edge of unfettered markets, including international agreements such as the recently released UN Sustainable Development Goals (SDGs).

Barbarization, the second major scenario, depicts a world riven with inequality, strife, and xenophobia. In the *Fortress World* variant, the elite live in protected, opulent enclaves detached from the masses, whose economic and social status is depressed by extraction and accumulation by the wealthy and powerful. In the *Breakdown* variant, the social fabric unravels, lawlessness pervades, and states collapse

The third archetypal scenario—*Great Transitions*—portrays a world where individuals thrive within their communities while maintaining a strong sense of global consciousness. Its two variants are not mutually exclusive, but instead share a commitment to the values of human solidarity, well-being, and ecological resilience. In *Eco-communalism*, small-scale, local, and cooperative personal and commercial relations are dominant. In a *New Sustainability Paradigm*, a powerful local and global consciousness emerges in which relations between human and between humans and nature based on stewardship, solidarity, and environmental resilience are the norm. Public, private, and civil society institutions are built to facilitate and activate these norms, leading to a future in which production and consumption serve the higher purpose of achieving well-being for all humans and non-human species, as well as the biosphere at large.

As archetypes, of course, none of these scenarios exist, or will emerge, in a pure form. Our complex world does not lend itself to simple classification and linear, predictable social change. For example, we see elements of Market Forces and Policy Reform in most Western nations, though some may tilt one way or the other—the US, Britain, and Australia toward the first, the Nordic countries and Canada toward the latter. Likewise, we see elements of Fortress World in both advanced and developing nations wherein income disparities create growing cleavages between rich and poor—visible in countries such as Brazil, South Africa, and China, though the US certainly qualifies as well. And Breakdown is emerging at alarming rate—think, for example, of Yemen, Afghanistan, Iraq, Syria, Somalia, Libya, the Congo, and perhaps contemporary Venezuela. And the Great Transition scenario, while not fully formed in any nation or region, shows signs, however muted, of gaining acceptance as a grand vision of justice, well-being, and resilience. It has been referenced by a UN Secretary General, global civil society organizations, and a growing

number of cosmopolitan individuals who identify themselves as global citizens as much as, or even more than, citizens of the nation reflected in their passport.

Recent data on this emergent global identity are compelling.¹ For the first time in fifteen years of tracking by the GlobeScan/BBC survey, 2016 findings indicate that nearly one in two people (49 percent) surveyed across fourteen countries see themselves more as global citizens than as citizens of their home country. These results are driven by strong increases since 2015 in non-OECD countries, including Nigeria (73 percent, up 13 points), China (71 percent, up 14 points), Peru (70 percent, up 27 points), and India (67 percent, up 13 points).

In a Great Transition future, a set of universal values undergirds a thriving world, perhaps codified into a Global Bill of Rights, including citizen rights to choose and remove governmental authorities, a guaranteed livable wage, and universal access to health and education. Sound familiar? These and other such rights are already enshrined in covenants such as the Universal Declaration of Human Rights, international labor standards, and, more recently, the SDGs. In other words, many of the foundations of a Great Transition are in place—the challenge is less about vision than about political will, leadership, and citizen mobilization that demands transformational change.

The Role of Social LCA

Where does social LCA fit into this landscape, a world replete with both peril and promise, despair and possibility? The answer lies in social LCA's capacity to answer a series of complex and urgent questions regarding the social consequences and long-term viability of the dominant market-driven, growth-centric, extractive model of global development. The necessity and desirability of a Great Transition invites us to ask: Is the current development path compatible with a future in which solidarity, well-being, and ecological resilience are the defining attributes of the world many decades from now?

To answer this question, we need to probe the system in a deep, integrated fashion. We need, in other words, to apply the power of analytics and data to pressing questions of whether the current system is "future fit" in terms of delivering a desired future along the lines depicted by the Great Transition. The tendency toward pessimism and despair, on the rise in the current tumultuous, conflicted world, can be overcome in part with incisive understanding of the nature of the current system and its compatibility—or incompatibility—with a thriving future.

Tracing the effects of corruption through supply chains; analyzing the linkages between developed country imports and poverty levels in exporting countries; and applying social LCA methodologies to industries ranging from sugar cane, dairy, and fiber production—these kinds of assessments provide a powerful X-Ray through which to view the anatomy of global commerce and to elicit critical questions about how to shift global development in the direction of a Great Transition. Put another way, social LCA is an instrument for peering into the soul of

the current socioeconomic system and asking whether it is leading us along a pathway toward the incrementalist and ultimately flawed approach of Conventional Worlds, the darkness and strife of Barbarization, or the justice, resilience, and well-being of a Great Transition.

Another way to define this critical function of social LCA is to apply the prism of neoclassical economics, the very framework that underlies the macro- and microeconomic worldview that dominates the contemporary development strategies. Markets work when information is rich, competition is ample, and prices incorporate all costs, including those borne by parties other than the buyer and the seller of a good or service, i.e., social costs. When such costs are absent from management and financial accounting systems, “externalities” undermine fair and transparent markets. From a corporate viewpoint, socializing negative externalities may be beneficial to short-term profits but, in the long term, harmful to societies upon which the company depends for its legitimacy, rule of law, and customers.

Externalities can exist at any point in the supply chain, from extraction to transport to processing to retailing to consumption. They include social impacts of unlivable wages, dangerous working conditions, and corrupt business practices. As these intensify, the social fabric unravels both near and far from the points of extraction, processing, and other links in the supply chain. Failing societies in the long term translate into failing companies.

For these reasons, social LCA provides a critical instrument for defining and monitoring the prospects for a company’s long-term prosperity, an issue of increasing concern not only to workers and communities, but also to investors who seek assurance that companies are properly managing their social risks. The value of so-called ESG-based assets (environmental/social/governance) under management worldwide now exceeds an estimated \$21 trillion, and is growing steadily. This investor segment is one that companies ignore at great risk to their competitiveness, cost of capital, and reputation.

Finally, social LCA plays a vital role in the growing field of corporate sustainability ratings. These kinds of ratings, rankings, and indexes populate a congested landscape comprising about 130 organizations that offer over 550 products. The Global Initiative for Sustainability Ratings, for instance, works to enhance the transparency, rigor, and relevance of this burgeoning field, focusing on their uptake in financial markets worldwide.² To do so, it seeks to advance the theory and practice of ratings through improved data quality and methodological innovation. As the field of social LCA advances, GISR and rating organizations will benefit from a more precise, rigorous assessment of true sustainability performance. Just as importantly, with growing evidence that strong sustainability performance correlates with strong long-term financial performance, social LCA is poised to play a substantive role in embedding this relationship in ratings methodologies, which, in turn, will help drive financial capital toward companies that are true sustainability leaders.

Conclusion

The social LCA community must begin to see itself as part of a broader movement for transformation toward a world of justice, solidarity, and ecological resilience. Scholarship is indispensable to seeding such change. But scholarship within a broader narrative is even more powerful, and scholarship, narrative, and activism acting in unison is even better.

History is instructive in this regard. Tectonic shifts in societal norms have occurred in the past and will occur again. The question is not “if,” but “when” and “in what form.” The concept of global citizenship, for example, is as old as ancient Greek philosophy. Centuries later, feudalism gave way to the Enlightenment and the social contract, followed by the emergence of mercantilism and industrial capitalism. The socialist thinking in the nineteenth century seeded new ways of thinking about class and justice, later expressed in the Progressive movement, the social welfare state, and the rise of socialist ideology. More recently, major social movements—environmentalism, women’s rights and gay rights, anti-apartheid—though not as systemic and sweeping as earlier shifts—garnered widespread engagement that transcended political boundaries and social class.

All of these movements had their philosophers and thought leaders who laid the foundation for new ways of thinking about the human project. The recipe for transformation—propitious timing, inspired leadership, and a coalescence around a broad-based shared grievance—has been replayed many times over the centuries. Amidst the mounting instability, displacement, and social upheavals of the early twenty-first century, we must ask if we can reach such turning point to redirect global change toward a Great Transition future. The answer: yes, we can.

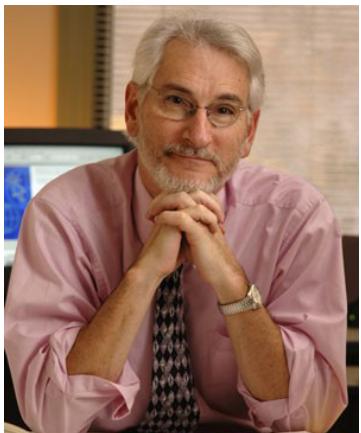
The social LCA community must think of itself as a contributor to this necessary transformation as part of the intellectual vanguard that helps expose in systemic fashion the social consequences of the dominant global development paradigm. In the ongoing debates over theories of change, governments, multilateral organizations, corporations, and civil society receive most attention as change agents. In the Great Transition framework, a global citizens movement is added to the mix in the belief that those institutions spawned by the current system are, by themselves, incapable of changing it.

But scholars will also be essential change agents for the Great Transition. “Speak truth to power”—truth in the sense of rigorous, compelling analytics that reaches audiences beyond the academy and research institutes to influence public discourse. Social LCA is capable of just that and, in so doing, can play a vital role in articulating the soul of a Great Transition.

Endnotes

1. GlobeScan, “Global Citizenship A Growing Sentiment Among Citizens of Emerging Economies: Global Poll,” press release, April 27, 2016, http://www.globescan.com/images/images/pressreleases/BBC2016-Identity/BBC_GlobeScan_Identity_Season_Press_Release_April%202016.pdf.
2. For more information about GISR, see <http://ratesustainability.org/>.

About the Author



Allen White is Vice President and Senior Fellow at the Tellus Institute, where he directs the institute's Program on Corporate Redesign. He co-founded the Global Reporting Initiative and Corporation 2020, and founded the Global Initiative for Sustainability Ratings. He has advised multilateral organizations, foundations, government agencies, Fortune 500 companies, and NGOs on corporate sustainability, governance, and accountability. Dr. White has served on boards, advisory groups, and committees of the International Corporate Governance Network, Civic Capital, Instituto Ethos (Brazil), the New Economy Coalition, Business for Social Responsibility, and the Initiative for Responsible Investment at Harvard University. Dr. White has held faculty and research positions at the University of Connecticut, Clark University, and Battelle Laboratories, and is a former Fulbright Scholar in Peru.

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